

# Marketplace Certainty Act – Rep. Raul Ruiz

## Background & Bill Summary – September 2017

### BACKGROUND

The ACA requires marketplace insurers to reduce a patient's cost-sharing (e.g. deductibles and co-payments) for enrollees with incomes below 250 percent Federal Poverty Level or FPL (\$60,750 for a family of four). The ACA requires the Department of Health and Human Services (HHS) to reimburse health insurers for these cost-sharing reductions (CSRs).

The ACA categorizes plans by metal tier based on the costs an insurance plan will cover. The amount the insurer pays for care, not including the patient's cost sharing is called the plan's actuarial value (AV). CSRs are based on "silver plans" which have an AV of 70 percent. A patient with this plan can expect to pay 30 percent of the costs of their care, while the insurer will cover 70 percent.

#### *AV and CSRs Under Current Law:*

- Patients at 100-150 percent FPL are responsible for paying 6% of their care costs.
- Patients at 150-200 percent FPL are responsible for paying 13% of their care costs.
- Patients at 200-250 percent FPL are responsible for paying 27% of their care costs.
- Patients at 250+ percent FPL are responsible for paying 30% of their care costs.

### BILL SUMMARY

1. **Appropriate CSRs Permanently** - The Marketplace Certainty Act would permanently appropriate the cost-sharing reductions. While this is unnecessary under current law, this permanence will provide stability for the marketplaces.
2. **Expand Eligibility** - The Marketplace Certainty Act would extend cost-sharing reductions to all ACA enrollees up to 400 percent Federal Poverty Level.
3. **Increase Plan Value** – The Marketplace Certainty Act would increase the amount of cost sharing reductions by increasing the AV for certain populations.
  - a. Patients at 100-200 percent FPL would be responsible for paying 5 percent of their care costs.
  - b. Patients at 200-300 percent FPL would be responsible for paying 10 percent of care costs.
  - c. Patients at 300-400 percent FPL would be responsible for paying 15 percent of care costs.

AV Bump			
Current law		Ruiz Bill	
100-150 FPL	94	100-200	95
150-200 FPL	87	200-300	90
200-250 FPL	73	300-400	85
250 and up FPL	70		